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UNITED STATES DEPARTMENT OF  
**COMMERCE**  
**NEWS**

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BUREAU OF  
EXPORT  
ADMINISTRATION

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**COMMERCE REACHES SETTLEMENTS WITH THE U.S. AIR FORCE,  
THE U.S. JUSTICE DEPARTMENT, AND A PRIVATE CONTRACTOR  
IN ANTIBOYCOTT CASES**

WASHINGTON D.C. -- The Commerce Department has reached settlements with the United States Air Force, an Air Force Officer, the United States Department of Justice and one of its employees, and a government contractor, CACI Inc. - Commercial, and one of its employees, for alleged violations of the antiboycott provisions of the Export Administration Regulations, John Despres, Assistant Secretary for Export Enforcement, announced today.

During 1991 and early 1992, Air Force and Justice were involved in defending a lawsuit brought against the Air Force by a defense contractor. Justice hired CACI Inc. -- Commercial to provide litigation support services, including sending a team to Saudi Arabia for several months to microfilm documents.

The Commerce Department alleged that, in a November 1991 meeting conducted by Air Force officers, representatives of Justice and CACI were told that Jews or people with Jewish surnames could not go to Saudi Arabia as part of the microfilming team. In preparing for the microfilming project, CACI drafted and the Justice employee edited an "operations plan" which included the following "Screening/Selection Process" requirement:

" ... No Jews or Jewish surnamed personnel will be sent as part of the Document Acquisition Team because of the cultural differences between Moslems and Jews in the Region. ... No Israeli stamped passport, as per Saudi rules."

BXA has no evidence that the restriction was specifically requested by, was required by, or was even known to the Government of Saudi Arabia.

In following the operations plan, Justice and CACI employees screened, interviewed, and selected people to go to Saudi Arabia. Eventually, a team was sent to Saudi Arabia. At least one U.S. person was refused a place on the team based on religion or national origin.

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In late 1995, the Anti-Defamation League of B'nai B'rith informed the Office of Antiboycott Compliance ("OAC") of a complaint it had received alleging religious discrimination in connection with a litigation support project carried out in Saudi Arabia by CACI Inc. - Commercial. Based on that lead, OAC conducted an investigation which lasted nearly eighteen months.

The United States Air Force settled allegations investigated by the Office of Antiboycott Compliance. As part of the settlement agreement, the settled allegations investigated by the Office of Antiboycott Compliance. Justice agreed, in a letter, to institute measures to prevent a similar event from happening again. Air Force will institute measures to prevent a similar event from happening again.

The United States Department of Justice settled allegations investigated by the Office of Antiboycott Compliance. Justice agreed, in a letter, to institute measures to prevent a similar event from happening again.

Air Force Col. Michael J. Hoover, then Chief of the Air Force litigation team, agreed to settle two allegations that he violated the antiboycott provisions by requiring or knowingly agreeing to require the Department of Justice and CACI Inc. - Commercial to discriminate against individuals based on religion.

Jane Hadden Alperson, Office of Litigation Support, Civil Division, United States Department of Justice, the case manager involved in the microfilming project, agreed to settle two allegations that she violated the antiboycott provisions by agreeing to discriminate against individuals based on religion or national origin, and subsequently taking a boycott-based discriminatory action against a U.S. person on the basis of religion.

CACI Inc. -- Commercial, an Arlington, Virginia contractor, and David Andrew, the senior CACI Inc. employee involved in the microfilming project, each agreed to settle three allegations that each violated the antiboycott provisions by knowingly agreeing to discriminate against individuals based on religion or national origin, taking a boycott-based discriminatory action against a U.S. person on the basis of religion, and, with respect to one particular individual, discriminating based on religion or national origin.

The antiboycott provisions of the Export Administration Act and Regulations apply to foreign boycotts fostered or imposed against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation. The antiboycott provisions prohibit U.S. individuals and companies, including U.S. government agencies, departments, and commissions, from discriminating, agreeing to discriminate, or requiring others to discriminate based on religion or national origin.

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Deputy Assistant Attorney General

Washington, D.C. 20530

February 27, 1997

**BY FACSIMILE AND MAIL**

Honorable John Despres  
Assistant Secretary for Export  
Enforcement  
U.S. Department of Commerce  
14th Street & Constitution Avenue, N.W.  
Room 3727  
Washington, D.C. 20230

Dear Mr. Despres:

For some time your Office of Antiboycott Compliance has been investigating allegations that certain events which occurred in 1991-92 violated the Export Administration Regulations of the Department of Commerce. This Department has cooperated in your investigation.

During 1991-92, the Department of Justice, assisted by attorneys from the Air Force, was responsible for the defense of a lawsuit brought against the United States by a foreign military sales contractor. Preparations were being made for employees of CACI Inc. - Commercial, a private company under contract to Justice, and other individuals, to travel to Saudi Arabia to microfilm documents related to the litigation.

In the course of a meeting held on November 19, 1991, to discuss a wide range of subjects in preparation for the project, a litigation support specialist employed by the Civil Division of Justice and employees of CACI were told by an Air Force officer that no Jewish employees of the contractor could be sent to Saudi Arabia. This guidance was included in an Operations Plan later prepared for the project. The Plan included the following provision:

- E. No Jews or Jewish surnamed personnel will be sent as part of the Document Acquisition Team because of cultural differences between Moslems and Jews in the region.
- F. No Israeli stamped passport, as per Saudi Rules. . . ."

Subsequently, we understand that one or more U.S. persons who were Jewish or were believed to be Jewish were eliminated from consideration for the team to be sent to Saudi Arabia.

A U.S. person, discriminating or requiring discrimination based on religion in connection with activities in U.S. commerce, if with intent to comply with, further or support a restrictive trade practice or boycott fostered or imposed by a foreign country against a country friendly to the United States which is not itself the object of any form of boycott pursuant to United States Law or regulation, as defined by Section 769.1(e) of the former Regulations, violates Section 769.2(b) of the former Regulations.

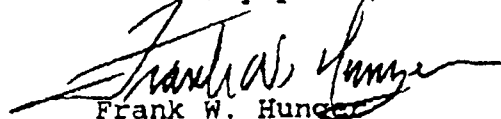
We have interviewed our employee, and believe that she did not appreciate the significance of her actions at the time. At the same time, we also believe that what occurred did not meet the equal opportunity standards of this Division. We abhor any actions which have the effect or even the appearance of discriminating against any racial, religious, or ethnic group. All personnel, whether employed by this Department or one of our contractors, should have equal employment opportunities in all locations, including foreign countries.

This incident should not have occurred and serves as a reminder of the need to be vigilant in ensuring that our laws addressing discrimination are always followed, without exception. We who are involved in providing guidance and legal advice in transactions and litigation must be especially careful to ensure that our guidance complies fully with United States law and Justice regulations and policies to ensure that violations do not occur.

Accordingly, I intend to disseminate to all employees of this Division a memorandum explaining what occurred here, bringing your Regulations to the attention of our employees and emphasizing that such incidents must never recur. I will also send a copy of this letter to the heads of other Department of Justice components to ensure that any component which has occasion to deal with countries participating in unsanctioned boycotts can ensure that its employees are properly trained.

Again, I share your view that this incident should not have occurred. I assure you that we will be vigilant to ensure that our employees adhere to the very highest standards of fairness and nondiscrimination.

Cordially yours,



Frank W. Hunger  
Assistant Attorney General